

**STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL**

IN THE MATTER OF:

**IT Corporation
Panoche Facility
Benicia, California**

**Docket HWCA:
96/97-2005 A**

**FIRST AMENDMENT TO
CORRECTIVE ACTION
CONSENT AGREEMENT**

On September 4, 1996, the Department of Toxic Substances Control (DTSC) and IT Corporation (IT) entered into a Corrective Action Consent Agreement (CACA), Docket No. HWCA 96/97-2005, with regard to the IT Panoche Facility located in Benicia, California. On May 22, 1997, DTSC and IT entered into a CACA Addendum, Docket No. HWCA 96/97-2005A, to amend the CACA. DTSC and IT hereby enter into this First Amendment to the Corrective Action Consent Agreement (First Amendment) for the purpose of amending both the CACA and the CACA Addendum as Follows:

1. An Exhibit A, "Scope of Work", as attached hereto, shall replace the Scope of Work as attached to the CACA in its entirety, to address additional corrective action, studies, and work efforts necessary at the IT Panoche Facility, Drum Burial Area V (DBA V).
2. Section 20 of the CACA, " REIMBURSEMENT OF DTSC'S COSTS," is amended to state:
 - "20.1 Respondent shall pay DTSC's costs incurred in the preparation and implementation of this Consent Agreement, from April 1, 1999 forward.
 - 20.2 An estimate of DTSC's costs for oversight activities related to Exhibit A, "Scope of Work", is attached hereto as Exhibit B showing the total amount of \$113,128. It is understood by the parties that the amount shown in Exhibit B is an estimate only and cannot be relied upon as the actual costs incurred by DTSC in preparing and implementing this Consent Agreement. DTSC has agreed to accept from IT, and IT has paid DTSC, \$120,000 to settle all DTSC's costs incurred as of March 31, 1999. DTSC shall notify respondents in writing in advance if billing statements will exceed the Cost Estimate in Exhibit B.

- 20.3 Respondent shall make an advance payment to DTSC in the amount of \$20,000 within 60 days of the effective date of the First Amendment to the Consent Agreement. If the advance payment exceeds DTSC's costs, DTSC will refund the balance within 120 days after the execution of the Acknowledgment of Satisfaction pursuant to Section 24 of this Consent Agreement.
- 20.4 After the advance payment, DTSC will provide Respondent with a billing statement at least quarterly, which will include the name of the employee, identification of the activity, the amount of time spent on each activity, and the hourly rate charged. If Respondent does not pay an invoice within 60 days, the amount is subject to interest as provided by HSC Section 25360.1.
- 20.5 DTSC will retain all costs records associated with the work performed under this Consent Agreement as required by state law. DTSC will make all documents which support the Department's cost determination available for inspection upon request, as provided by the Public Records Act.
- 20.6 Any dispute concerning costs pursuant to this Consent Agreement is subject to the Dispute Resolution provision of this Consent Agreement or shall be resolved pursuant to the procedures established in Health and Safety Code 25269.2. DTSC reserves its right to recover unpaid costs under applicable state and federal laws.
- 20.7 All payments shall be made within 30 days of the receipt of the billing statement by check payable to the Department of Toxic Substances Control and shall be sent to:

Accounting Unit
Department of Toxic Substances Control
Post Office Box 806
Sacramento, California 95812-0806

All checks shall reference the name of the Facility, the Respondent's name and address, and the docket number of this Consent Agreement. Copies of all checks and letters transmitting such checks shall be sent simultaneously to DTSC's Project Coordinator."

3. Section 6 of the CACA, "California Environmental Quality Act", is amended to state:

"With regard to some of the activities covered under this Consent Agreement, DTSC made a determination that those activities were exempt from the California Environmental Quality Act (CEQA) because the release of hazardous waste at or from the facility constituted an emergency at that point in time. DTSC must comply with CEQA insofar as activities required by this


Consent Agreement are projects subject to CEQA. Respondent shall provide all information necessary to facilitate any CEQA analysis."

Section 20 of the CACA, as amended herein, supersedes Section 5 of the CACA Addendum. The "Scope of Work" of the CACA, as amended herein, supersedes the Scope of Work of the CACA Addendum.

Except as amended by this First Amendment, the provisions of the CACA and the provisions of the CACA Addendum remain in full force and effect.

This First Amendment shall take effect upon the date when this First Amendment is fully executed by the Parties.

Date: Nov. 3, 1999

By: 
Douglas Waltermire
Manager of Environmental Affairs
IT Corporation

Date: 11/8/99


By: 
James M. Pappas, P.E.
Chief
Land Disposal Branch
Department of Toxic Substances Control

EXHIBIT A

SCOPE OF WORK

DRUM BURIAL AREA V AND WEST-SIDE GROUNDWATER CONTAMINATION CORRECTIVE ACTION

IT CORPORATION PANOCHÉ FACILITY

OBJECTIVES:

IT Corporation (IT) shall implement measures to further evaluate the nature and extent of releases of hazardous wastes and to identify, develop, and implement appropriate corrective action to protect public health and the environment associated Drum Burial Area V (DBA V). These measures will be implemented under the corrective action authority of the California Department of Toxic Substances Control (DTSC). The corrective action process required at the IT facility is subject to the public participation requirements and the California Environmental Quality Act (CEQA).

This Corrective Action Consent Agreement has included two previous Scopes of Work that addressed the initial measures needed to minimize further offsite migration of groundwater contamination and remove buried drums and some contaminated soil below the waste material. These activities were the vital first step in the protection of public health and the environment.

This Scope of Work (SOW) focuses on the tasks necessary to determine if the interim measures completed are adequate as final measures or whether additional corrective measures are needed.

The format of this SOW is intended to mirror the Resource Conservation and Recovery Act (RCRA) corrective action format. However, it is recognized that a substantial amount of investigative remedial measures work has already been completed. To the extent possible, submittals may draw on previous work products and/or be combined where such effort may refine and streamline the corrective action process. Regardless of formatting refinements, all work products will be subject to DTSC review and approval.

IT is currently implementing a DTSC approved closure for the entire Panoche facility. It is IT's and DTSC's mutual goal to expedite completion of this SOW such that the final remedy implementation may occur coincident with closure completion, if possible. DTSC and IT will complete drafting and review efforts expeditiously and maximize benefits of the planning and meet and confer process such that workplan and report document revisions are minimized. Furthermore, to assist DTSC in this review, IT will submit data in electronic format with required reports, to the extent possible.

SPECIFIC ACTIVITIES:

Task 1a) RCRA Facility Investigation (RFI) Workplan - Soil and Adjacent Groundwater

This task includes investigation of the vadose zone at DBA V and groundwater directly below the unit (source evaluation). Of particular concern is to determine if Non Aqueous Phase Liquids (NAPLs) contaminant sources remain in the DBA V area and if they have migrated offsite. Workplan II, as required in the original Scope of Work, should address this task. IT submitted a draft version of Workplan II in January 1999 and DTSC issued comments on August 11, 1999. The August 11, 1999, DTSC letter reflects the specific level of effort needed to complete this task. The Workplan will need to include a schedule that describes any field activities and submittal of the draft Report.

Specific activities to be conducted by DTSC will include:

- Discussions with IT concerning DTSC comments,
- Discussions with interested parties,
- Review and comment on the revised Workplan, and
- Field oversight of drilling and sampling activities.

Task 1b) RFI Workplan - Downgradient Groundwater

The purpose of this investigation is to determine the extent of groundwater contamination onsite and offsite downgradient of DBA V. In addition, the RFI should determine the effectiveness of the existing extraction and treatment system in capturing the contaminated groundwater and treating the effluent. Much investigative work has been completed prior to this task and was submitted as Report III by IT in January 1997. The major remaining task would be an effectiveness study of the existing groundwater remediation system. The Workplan will need to include a schedule that describes any field activities and submittal of the draft Report.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Workplan,
- Discussions with IT concerning DTSC comments,
- Review of the revised Workplan, and
- Field oversight (if any).

Task 2a) RFI Report - Soils and Adjacent Groundwater

IT will submit a report that presents and summarizes the data collected and includes conclusions concerning adequacy of chemical characterization as described in the Workplan.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Report,
- Discussions with IT concerning DTSC comments, and
- Review of the revised Report.

Task 2b) RFI Report - Downgradient Groundwater

IT will submit a report that presents and summarizes all relevant data and includes conclusions concerning adequacy of the existing extraction system as described in the Workplan.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Report,
- Discussions with IT concerning DTSC comments, and
- Review of the revised Report.

Task 3a) Corrective Measures Study (CMS) Workplan - Soils and Adjacent Groundwater

The purpose of this study is to identify and evaluate corrective measure alternatives that may be applicable and feasible in remediating contamination sources in the vadose zone and groundwater at DBA V and areas immediately downgradient. If NAPLs exist within or adjacent to DBA V, this Workplan must address potential long-term impacts and applicable remedial alternatives for NAPLs.

This Workplan shall include:

- A description of how the proposed soil remediation standards will be derived and a proposed point of compliance. These remediation standards must be protective of groundwater quality,
- At this time, a risk assessment is not anticipated. If a risk assessment is needed, IT shall consult with DTSC and prepare the required risk assessment.
- A description of the specific corrective measure alternatives which will be studied,

- A description of the general approach for evaluating potential corrective measures,
- A detailed description of any proposed bench, pilot, laboratory, or treatability studies that will be conducted as part of the CMS, and
- A schedule that includes field work, interim tasks, and submittal of the draft Report.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and generation of comments on the Draft Workplan,
- Discussions with IT concerning DTSC comments,
- Review of the revised Workplan, and
- Field oversight of pilot tests.

Task 3b) CMS Workplan - Downgradient Groundwater

The purpose of this study is to develop and evaluate corrective measure alternatives that may be applicable in remediating groundwater contamination at DBA V. This Workplan shall include:

- A description of the remediation standards and point of compliance that the groundwater remedy must meet. A fate and transport study will be needed to predict plume behavior over the long term. A risk assessment is not planned as part of this activity at this point in time,
- A description of the specific corrective measure alternatives which will be studied,
- A description of the general approach for evaluating potential corrective measures,
- A detailed description of any proposed bench, pilot, laboratory, or treatability studies that will be conducted as part of the CMS, and
- A schedule that includes field work, interim tasks, and submittal of the draft Report.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Workplan,
- Discussions with IT concerning DTSC comments,
- Review of the revised Workplan, and
- Field oversight of pilot tests.

Task 4a) CMS Report - Soils and Adjacent Groundwater

IT will submit a report that presents and summarizes the information collected and includes conclusions and recommendations concerning alternative corrective measures as described in the Workplan.

Specific activities to be conducted by DTSC will include:

- -Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Report,
- Discussions with IT concerning DTSC comments, and
- Review of the revised Report.

Task 4b) CMS Report - Downgradient Groundwater

IT will submit a report that presents and summarizes the information collected and includes conclusions and recommendations concerning alternative corrective measures as described in the Workplan.

Specific activities to be conducted by DTSC will include:

- Meet and confer with IT,
- Discussions with interested parties,
- Review and comment on the Draft Report,
- Discussions with IT concerning DTSC comments, and
- Review of the revised Report.

Task 5) Remedy Selection/Statement of Basis

This document will be prepared by DTSC after review and analysis of both the 1) downgradient groundwater and 2) soils and adjacent groundwater CMS's and other relevant information. The remedy selected for DBA V must be protective of human health and the environment. Cost Estimate, Attachment B, does not include any cost associated with this task, due to the uncertainty in projecting potential activities without additional information. The remedy selection process is subject to all public participation requirements. A separate Corrective Action Consent Agreement or an amendment to this Consent Agreement may be required for the remedy selection and implementation of the remedy.

Task 6) Quarterly Groundwater Monitoring

IT will conduct quarterly monitoring of wells west of DBA V for groundwater elevation and quality data pursuant to the approved March 20, 1997, DBA V West Groundwater and Surface Water Sampling and Analysis Plan Revision 1.0. Each quarter, IT will submit a report 60 days after completion of sample collection, that includes all data collected.

Task 7) IT Panoche Implementation Group Meetings

These meetings are held monthly to update responsible government agencies and the City of Benicia representatives on the status of facility closure and DBA V project tasks. DTSC is responsible for preparation of the meetings and will present monthly status reports. The scope of DTSC efforts here reflects only that portion of the meeting which relates to DBA V.

Task 8) Congressman Miller's Oversight Meetings

These meetings are held quarterly to update responsible government agencies, the City of Benicia, and federal, state, and local elected representatives on the status of facility closure and DBA V project tasks. DTSC is responsible for presenting general and specific status reports. The scope of DTSC effort here reflects only that portion of the meeting which relates to DBA V.

Task 9) General Project Management

DTSC project manager will coordinate with IT and other interested parties concerning activities at the facility. Specific project management activities will include:

- Tracking project schedule and deliverables,
- Coordination of DTSC review and responses to IT submittals and activities,
- Coordination of meetings and other communications with responsible agencies and IT,
- The review of oversight cost tracking and updating IT regularly via quarterly invoices and other documentation, and
- Coordination with public participation staff to provide periodic updates to the community as necessary.

SCHEDULE

TASK	DESCRIPTION	DUE DATE
1a	RFI Workplan - soils and adjacent groundwater	Within 60 days of the effective date of the First Amendment
1b	RFI Workplan - downgradient groundwater	Within 60 days of the effective date of the First Amendment
2a	RFI Report - soils and adjacent groundwater	Consistent with the schedule specified in Task 1a
2b	RFI Report - downgradient groundwater	Consistent with the schedule specified in Task 1b
3a	CMS Workplan - soils and adjacent groundwater	Within 30 days of the approved Task 2a
3b	CMS Workplan - downgradient groundwater	Within 30 days of the approved Task 2b
4a	CMS Report - soils and adjacent groundwater	Consistent with the schedule specified in Task 3a
4b	CMS Report - downgradient groundwater	Consistent with the schedule specified in Task 3b
5	Remedy selection/Statement of Basis	Prepared by DTSC within 60 days of the approval of Tasks 4a and 4b
6	Quarterly Groundwater Monitoring	Quarterly
7	IT Panoche Implementation Group Meetings	Monthly
8	Congressman Miller's Oversight Meetings	Quarterly
9	General Project Management	Ongoing

EXHIBIT B
IT PANOCHE
COST ESTIMATE

TAS ACTIVITY	Staff		GSU		Legal		PPS		Management		Toxicologist		DTSC Total	
	Hours	\$	Hour	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
A Corrective Action Consent Agreement Mod	32	\$ 3,840	8	\$ 832	4	\$ 536	16	\$ 1,472	4	\$ 516			64	\$ 7,196
1a RFI-soil Workplan	16	\$ 1,920	80	\$ 8,320				-	4	\$ 516			100	\$ 10,756
1b RFI-groundwater Workplan	12	\$ 1,440	20	\$ 2,080				-	4	\$ 516			36	\$ 4,036
2a RFI-soil Report	24	\$ 2,880	40	\$ 4,160				-	4	\$ 516			68	\$ 7,556
2b RFI-groundwater Report	16	\$ 1,920	60	\$ 6,240				-	4	\$ 516			80	\$ 8,676
3a CMS-soil Workplan	40	\$ 4,800	20	\$ 2,080				-	4	\$ 516	4	\$ 536	68	\$ 7,932
3b CMS-groundwater Workplan	16	\$ 1,920	40	\$ 4,160				-	4	\$ 516			60	\$ 6,596
4a CMS-soil Report	60	\$ 7,200	20	\$ 2,080				-	4	\$ 516			84	\$ 9,796
4b CMS-groundwater Report	16	\$ 1,920	40	\$ 4,160				-	4	\$ 516			60	\$ 6,596
6 Quarterly groundwater reports	10	\$ 1,200	40	\$ 4,160				-	4	\$ 516			54	\$ 5,876
7 IT Panoche Closure Implementation Meetings	48	\$ 5,760	36	\$ 3,744			36	\$ 3,312	24	\$ 3,096			144	\$ 15,912
8 Congressman Miller Oversight Meetings	24	\$ 2,880	24	\$ 2,496			24	\$ 2,208	4	\$ 516			76	\$ 8,100
9 General Project Management	96	\$11,520		\$ -				-	20	\$ 2,580			116	\$ 14,100
Hourly rate		\$ 120		\$ 104		\$ 134		\$ 92		\$ 129		\$ 134		
TOTALS	400	\$48,000	388	\$40,352	4	\$ 536	76	6,992	84	\$ 10,836	4	\$ 536	956	\$ 113,128



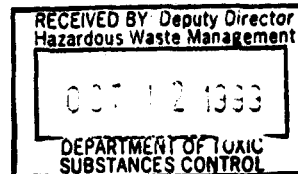
IT Corporation

157 Arnold Drive, Suite D
Martinez, CA 94553-6526
Tel. 925.370.3990
Fax. 925.370.3991

A Member of The IT Group

October 6, 1999

Watson Gin
Department of Toxic Substances Control
P.O. Box 806
Sacramento, CA 95812-0806



Re: Change of Address & Contact Information

Dear Mr. Gin:

Please be advised that IT Corporation is relocating offices next month to consolidate Northern California Operations to a single location. Effective October 11, 1999, contact information for me will be:

IT Corporation
4005 Port Chicago Highway
Concord, CA 94520-1120

Phone (Direct Dial): (925) 288-2131
Phone (Switchboard): (925) 288-9898

Fax: (925) 288-0888

Email: rgreen@theitgroup.com

I appreciate your revising your contact information as shown above. Please do not hesitate to contact me directly if you have questions or require additional information.

Sincerely,
IT Corporation

//Original signed by//

Richard H. Green, R.G.
Regional Program Director

RECEIVED BY:
Hazardous Waste Management

OCT 08 1999

DEPARTMENT OF TOXIC
SUBSTANCES CONTROL

January 7, 1999

Ms. Sarah Picker
California Environmental Protection Agency
Department of Toxic Substances Control
700 Heinz Ave., Suite 200
Berkeley, CA 94710

IT Corporation Panoche Facility CAD 000 060 012
DTSC Oversight Costs for Corrective Action Consent Agreements/Orders

Dear Ms Picker:

On October 16, 1998, IT Corporation (IT) and DTSC representatives met to discuss DTSC oversight costs for several Corrective Action Consent Agreements/Orders related to the IT Panoche Facility. The Consent Agreements/Orders covered include: (1) water management activities (Docket No. HWCA 94/95-046); (2) geologic and groundwater investigations in the vicinity of Drum Burial Area V (Docket No. HWCA 96/97-2005); (3) the drum excavation activities within Drum Burial Area V (Docket No. HWCA 96/97-2005A); and, (4) designation of a Corrective Action Management Unit (CAMU) (Docket No. HWCA P2-97/98-010).

The meeting focused on informational requirements for evaluating past and future DTSC expenditure reports, and questions and issues regarding invoices received to date. IT is interested in settling outstanding invoices, and working with DTSC to refine the project management and cost tracking methodology for continuing work. These improvements should allow for more routine dialogue between IT and DTSC, and allow more efficient and timely processing of future invoices. After DTSC's review of the following summary information, presented here by individual Agreement/Order, we look forward to further dialogue on many of these items and hope to quickly reconcile all outstanding expenditure reports. While the summary text does identify missing backup information related to outstanding invoices, we are not requesting the additional backup at this time.

Water Management - Consent Agreement HWCA 94/95-046
(DTSC Site Code 200175-50)

Subsequent to the signing of this Agreement on April 28, 1995, IT and DTSC finalized a Fee For Service Agreement for DTSC oversight costs. The Service Agreement (Contract No. 94-T0779) was executed on June 9, 1995. The terms of the Service Agreement were in effect from April 27, 1995 to September 30, 1996 (Item II of the Service Agreement). In accordance with the agreed

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to scope of work, DTSC's oversight costs for implementation of the Agreement were estimated to be \$29,000. The Service Agreement also required DTSC to provide IT with quarterly expenditure reports.

- IT received DTSC's first expenditure report for the Consent Agreement (for the billing period of 4/94 through 12/96) on August 15, 1997; well over two years from the implementation date, and over a year after the Service Agreement had expired. Subsequent expenditure reports have been received up to seven months from the billing period. This delay in receiving and reviewing expenditure reports makes project management, and cost tracking and validation extremely difficult for both IT and DTSC.
- Expenditure reports received by IT after February 6, 1998, have exceeded the Service Agreement's cost estimate of \$29,000 by over \$8,000. The cost estimate was exceeded without DTSC requesting or providing any written rationale for a modification of the scope of work and/or a revised cost estimate as stipulated in Service Agreement 94-T0779.
- The billing detail provided by DTSC in the expenditure reports consists of copies of DTSC's CIRS Pay-As-You-Go Estimated Billing Report. These billing reports include the pay period, DTSC staff's name, and hours worked. They do not identify the activities or work completed by DTSC for the billed hours. These reports also do not contain sufficient information to allow IT to verify that the billed hours are related to the agreed upon scope of work for the Consent Agreement. In a September 12, 1997 letter, IT requested additional billing detail from DTSC for these past expenditures. DTSC has subsequently provided IT with billing details in the form of DTSC Daily Logs. In conjunction with the CIRS Billing Report, these logs identify activities completed by DTSC Staff for a given billing period. DTSC has provided additional requested billing details for expenditures from 4/95 through 12/96, and copies of Daily Logs for the period of 7/97 through 12/97. However, Daily Logs for expenditures from 1/97 through 6/97, and 1/98 through 3/98 have not been received.

**Drum Burial Area V - Consent Agreement & Addendum HWCA 96/97-2005/2005A
(DTSC Site Code 520025-57)**

IT and DTSC finalized the Consent Agreement on September 4, 1996. Condition 20.1 of the Agreement stipulates that the costs incurred by DTSC shall not exceed \$35,000. An addendum to the Agreement was finalized on May 22, 1997 to address the excavation of drums from DBA-V. Condition 5.1 of the Addendum estimates that DTSC's costs for implementing the Addendum will range from \$36,000 to \$72,000. The Agreement and Addendum also require DTSC to provide IT with quarterly expenditure reports.

Ms. Sarah Picker

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- IT received DTSC's first expenditure report (for the billing period of 7/96 through 12/96) on August 18, 1997; over one year from the date the Consent Agreement was implemented. Subsequent expenditure reports have been received up to nine months from the reported billing period. As mentioned previously, this delay in receiving and reviewing expenditure reports makes project management and cost tracking extremely difficult for both IT and DTSC.
- Expenditure reports received from DTSC for the period of 7/96 through 6/97, exceeded the not-to-exceed estimate of \$35,000 (Condition 20.1) by over \$72,000. The not-to-exceed estimate was exceeded without DTSC requesting or providing any rationale for a modification of the scope of work, or providing a revised cost estimate.
- In a September 12, 1997 letter, IT requested additional billing detail from DTSC for past expenditures. DTSC has provided IT with requested billing details for expenditures from 7/96 through 12/96, and copies of some Daily Logs for DTSC personnel billing to the Consent Agreement for the period of 1/97 through 12/97. However, Daily Logs for several DTSC personnel for the billing period of 1/97 through 12/97, and all Daily Logs for expenditures from 1/98 through 6/98 have not been received. Without the activity information provided in requested Daily Logs, it is not possible to verify that the billed hours and their applicability to the agreed upon scope of work.
- As the activities are easily distinguishable, separate expenditure reports for the Agreement and Addendum were requested in the September 12, 1997 letter. To date, DTSC has not provided this breakdown and in fact, in their October 13, 1997 letter, suggested this was not possible. The ability to differentiate costs between the Agreement and Addendum will facilitate the project management and cost tracking effort. We therefore request reconsideration of this request for future invoice tracking, and may later request better differentiation of past costs, dependent on anticipated near-term settlement discussions.
- Consistent with discussions with Mr. Jim Pappas, IT provided DTSC with an additional payment of \$15,000 for expenditures on November 17, 1997. This payment, with the original required advance payment of \$20,000, brought the total payments up to the agreed not-to-exceed cap of \$35,000 for implementing the Consent Agreement.
- Condition 5.1 of the Addendum estimated that DTSC's costs for implementing the Addendum would range from \$36,000 to \$72,000. Expenditure reports (for the period of 7/97 through 6/98) received after finalization of the Addendum currently total approximately \$68,000. Although it is difficult to differentiate between oversight costs for the Agreement versus the Addendum, it is anticipated that DTSC's costs for the remainder of 1998 (once received) will exceed the original estimate of \$72,000. In

Ms. Sarah Picker

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addition, DTSC's November 5, 1998 letter proposes significant future oversight costs for Fiscal Year 1999.

**Corrective Action Management Unit - Consent Order HWCA P2-97/98-010
(DTSC Site Code 520016-57)**

IT and DTSC finalized the Consent Order on December 1, 1998. Condition XI-1 estimated costs for DTSC's preparation and implementation of the Consent Order at \$18,000. The Consent Order also requires DTSC to provide IT with quarterly expenditure reports.

- Until recently, IT has not received expenditure reports from DTSC on a quarterly basis. IT received DTSC's first expenditure report (for the billing period of 7/96 through 6/97) on January 6, 1998; almost a year and a half from the date the Consent Agreement was finalized. Again, this delay in receiving and reviewing expenditure reports has made project management and cost tracking extremely difficult for both IT and DTSC.
- Expenditure reports received from DTSC to date do not identify the activities nor the work completed by DTSC for the billed hours, as stipulated in the Order. Without this activity information (provided in Daily Logs), IT is unable to verify that the billed hours are consistent with the agreed upon scope of work. IT may, at a later date, request Daily Logs for all expenditures for this Consent Order (i.e., 5/96 through 3/98).

DTSC's November 5, 1998 Letter - Assembly Bill 1651

In a letter to IT dated November 5, 1998, DTSC discussed implementation of Assembly Bill (AB) 1651 for Consent Agreement HWCA 96/97-2005 and Addendum HWCA 96/97-2005A. As stated in the November 5 letter, the purpose of AB 1651 is to improve communication and understanding between DTSC and regulated facilities regarding time, costs and procedures. Towards this goal, DTSC has prepared an oversight estimate for Fiscal Year 98/99 for the Consent Agreement and Addendum. A copy of the estimate was included in the November 5 letter.

IT has reviewed the oversight estimate and found insufficient detail to thoroughly evaluate the request. During the October 16, 1998 meeting, a draft of the estimate was discussed. At that time, IT representatives suggested and DTSC Staff agreed to provide additional details; such as type of work to be accomplished, deliverables, field versus office time. As an example, the estimate lists for Activity No. 8, "CACA Addendum - oversight of Work Plan II implementation". From the information provided, IT can not ascertain for certain tasks, what activities will be performed by DTSC during implementation of the work plan (i.e., will DTSC visit the facility, how frequently, are duplicate samples to be collected, what is to be observed,

Ms. Sarah Picker

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January 7, 1999

what role will GSU representative have in oversight). As previously agreed, we will provide timely response to a more detailed proposal once it is received, and we share DTSC's desire to improve the project management aspects of the programs as work progresses.

* * * * *

Summarized in this letter are IT's areas of concern regarding past and future DTSC oversight expenditure reports for the current Consent Agreements/Orders. We are hopeful that the concerns raised in this letter can be evaluated and changes made to future expenditure reports which will improve our mutual project management and cost tracking efforts. As previously stated, we look forward to further dialogue on the settlement of all past invoices and development of a project management structure that will avoid a repeat of this exercise in the future.

A copy of this letter is also being provided to Jim Pappas and Jeff Mahan pursuant to the cost recovery and dispute resolution provisions of the Consent Agreements/Orders. We will be contacting DTSC shortly to further discuss settlement of past costs.

Sincerely,

//Original signed by//

ERIC C. DIETHEIM

Regulatory Programs Coordinator

cc: Jim Pappas, DTSC
Wei-Wei Chui, DTSC
Orchid Kwei, DTSC
Erlinda Del Rosario, DTSC
Mary Ann Gottfried, DTSC
Jeff Mahan, DTSC
Birgitta Corsello, Solano County
Kitty Hammer, City of Benicia Consultant

PAN/99-002.ECD

IT 520025-57 Try 200125

8/96 To date

FAX 8-571-3937

Consent cover CAO #17 MRC YN

Daisy Lee = 8-571-3933

Wei Wei = 8-571-3975

50 4 slow 12/96.

From: DLEE6 --HW1

Date and time 02/04/97 09:21:58

To: MREYES --HW1 Martha Reyes

cc: WCHUI --HW1

FROM: Daisy Lee

Subject: IT DBAV billing

If you mean driving from the Berkeley office to Benicia for site visits and meetings, yes... there were travel costs.

*** Forwarding note from MREYES --HW1 02/03/97 14:59 ***

To: DLEE6 --HW1

FROM: Martha Reyes

Subject: IT DBAV billing

ANY TRAVEL?

*** Forwarding note from MREYES --HW1 02/03/97 14:58 ***

To: WCHUI --HW1

cc: DLEE --EDDCO <DLEE-HW1

PF1 Alternate PFs PF2 File NOTE PF3 Keep PF4 Erase PF5 Forward Note

PF6 Reply PF7 Resend PF8 Print PF9 Help PF10 Next PF11 Previous PF12 Return